

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A3.8, E30.4, E30.22, E30.23, E30.38

APPROPRIATION:
New Directions

I. SUMMARY FINANCIAL DATA

| | 2014-2015 Actual | 2015-2016 Available | 2016-2017 Budgeted |
|--|---------------------|------------------------|-----------------------|
| State Funds | \$22,497 | \$23,809 | \$25,239 |
| Federal Funds Total | \$137,331 | \$125,751 | \$125,751 |
| Federal Sources Itemized | | | |
| <i>TANFBG - New Directions</i> | \$121,893 | \$109,522 | \$109,522 |
| <i>Medical Assistance - New Directions</i> | \$5,217 | \$5,590 | \$5,590 |
| <i>Food Stamps - New Directions</i> | \$10,221 | \$10,639 | \$10,639 |
| Other Funds | \$0 | \$0 | \$0 |
| Total | \$159,828 | \$149,560 | \$150,990 |

IA. REQUESTED SUPPLEMENTALS (Included above)

| | |
|---------------|------------|
| State Funds | \$0 |
| Federal Funds | \$0 |
| Total | \$0 |

| II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands) | | | APPROPRIATION: New Directions | | |
|---|---------------------|------------------------|----------------------------------|-------------------------------------|-------------------|
| | 2014-2015 Actual | 2015-2016 Available | 2016-2017 Budgeted | Change Budgeted vs. Available | Percent Change |
| PERSONNEL | | | | | |
| State Funds | \$17,407 | \$18,719 | \$20,149 | \$1,430 | 7.64% |
| Federal Funds | \$15,345 | \$16,005 | \$16,807 | \$802 | 5.01% |
| Other Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Total Personnel | \$32,752 | \$34,724 | \$36,956 | \$2,232 | 6.43% |
| OPERATING | | | | | |
| State Funds | \$392 | \$392 | \$392 | \$0 | 0.00% |
| Federal Funds | \$1,220 | \$1,220 | \$1,220 | \$0 | 0.00% |
| Other Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Total Operating | \$1,612 | \$1,612 | \$1,612 | \$0 | 0.00% |
| FIXED ASSETS | | | | | |
| State Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Other Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Total Fixed Assets | \$0 | \$0 | \$0 | \$0 | 0.00% |
| GRANT & SUBSIDY | | | | | |
| State Funds | \$2,359 | \$3,071 | \$3,071 | \$0 | 0.00% |
| Federal Funds | \$95,767 | \$95,055 | \$95,055 | \$0 | 0.00% |
| Other Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Total Grant & Subsidy | \$98,126 | \$98,126 | \$98,126 | \$0 | 0.00% |
| NONEXPENSE | | | | | |
| State Funds | \$2,339 | \$1,627 | \$1,627 | \$0 | 0.00% |
| Federal Funds | \$11,957 | \$12,669 | \$12,669 | \$0 | 0.00% |
| Other Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Total Nonexpense | \$14,296 | \$14,296 | \$14,296 | \$0 | 0.00% |
| BUDGETARY RESERVE | | | | | |
| State Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Federal Funds | \$13,042 | \$802 | \$0 | (\$802) | -100.00% |
| Other Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Total Budgetary Reserve | \$13,042 | \$802 | \$0 | (\$802) | -100.00% |
| UNCOMMITTED | | | | | |
| State Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Other Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Total Uncommitted | \$0 | \$0 | \$0 | \$0 | 0.00% |
| EXCESS FEDERAL | | | | | |
| State Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Other Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Total Excess Federal | \$0 | \$0 | \$0 | \$0 | 0.00% |
| TOTAL FUNDS | | | | | |
| State Funds | \$22,497 | \$23,809 | \$25,239 | \$1,430 | 6.01% |
| Federal Funds | \$137,331 | \$125,751 | \$125,751 | \$0 | 0.00% |
| Other Funds | \$0 | \$0 | \$0 | \$0 | 0.00% |
| Total Funds | \$159,828 | \$149,560 | \$150,990 | \$1,430 | 0.96% |

APPROPRIATION:
New Directions

| III. HISTORY OF LAPSES (\$ Amounts in Thousands) | <u>2013-2014</u> | <u>2014-2015</u> | <u>2015-2016 Estimated</u> |
|---|------------------|------------------|--------------------------------|
| State Funds | \$938 | \$2,285 | \$0 |

| IV. COMPLEMENT INFORMATION | <u>12/31/2014</u> | <u>12/31/2015</u> | <u>2016-2017 Budgeted</u> |
|-------------------------------|-------------------|-------------------|-------------------------------|
| State/Federally Funded | | | |
| <i>Authorized</i> | 375 | 375 | 375 |
| <i>Filled</i> | 370 | 368 | 366 |
| Federally Funded | | | |
| <i>Authorized</i> | 0 | 0 | 0 |
| <i>Filled</i> | 0 | 0 | 0 |
| Other Funded | | | |
| <i>Authorized</i> | 0 | 0 | 0 |
| <i>Filled</i> | 0 | 0 | 0 |
| Total | | | |
| <i>Authorized</i> | 375 | 375 | 375 |
| <i>Filled</i> | 370 | 368 | 366 |
| Benefit Rate | 74.3% | 82.7% | 88.0% |

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget reflects 375 authorized positions, the same as in Fiscal Year 2015-2016. Budget reflects an overall increase in Personnel and no change from Fiscal Year 2015-2016 for Operating, Grants and Subsidies and Non-expense funding.

Legislative Citations:

62 P.S. § 201 et seq.; 62 P.S. § 401 et seq.

Disbursement Criteria:

This appropriation funds the employment program activities of the County Assistance Offices, job training and educational services funded through the Employment Advancement Retention Network (EARN) and other contracts. The purpose of these activities is to obtain full-time permanent employment for Temporary Assistance for Needy Families recipients, thereby reducing their need for public assistance.

Disbursements are made on the basis of approved positions, established employee benefits and invoices submitted for operating expenses, fixed assets and contracted projects.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 New Directions

| | <u>State \$</u> | <u>Federal \$</u> | <u>Other \$</u> | <u>Total \$</u> |
|--|-----------------------|-------------------|-------------------|-----------------------|
| PERSONNEL | | | | |
| 1. Provides an increase for the impact of salary adjustment factor (without benefits) which includes the full year cost of a January 1, 2016 step increase offset by turnover: | \$384 | \$224 | \$0 | \$608 |
| 2. Provides for an increase in the total cost of employee benefits primarily due to an increase in the retirement rate: | <u>\$1,046</u> | <u>\$578</u> | <u>\$0</u> | <u>\$1,624</u> |
| Subtotal Personnel | \$1,430 | \$802 | \$0 | \$2,232 |
| BUDGETARY RESERVE | | | | |
| 1. Impact of non-recurring excess Federal spending authority from Fiscal Year 2015-2016: | <u>\$0</u> | <u>(\$802)</u> | <u>\$0</u> | <u>(\$802)</u> |
| Subtotal Budgetary Reserve | \$0 | (\$802) | \$0 | (\$802) |
| TOTAL | <u>\$1,430</u> | <u>\$0</u> | <u>\$0</u> | <u>\$1,430</u> |

NEW DIRECTIONS

PROGRAM STATEMENT

The New Directions appropriation under the Department of Human Services (Department) and Office of Income Maintenance (OIM) provides employment, training and placement services to eligible welfare recipients to prepare for, secure and retain employment.

New Directions is supplemented by Federal funds available through the Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program. Job search, job placement services, job-related training and education are provided through the County Assistance Offices (CAOs) and approximately 124 employment and training contractors throughout the State. Contractors for New Directions include community, faith-based, profit, non-profit and government organizations.

Additionally, OIM coordinates: contractor procurement, program design and development, management information system design and support, policy and procedure development, contract management, research and reporting and coordination with CAOs.

In order to ensure program efficiencies, OIM also works closely with other offices within the Department and other State and local agencies to ensure that all possible resources are utilized to increase clients' likelihood of finding and keeping employment.

EMPLOYMENT ADVANCEMENT RETENTION NETWORK

The OIM has developed a system of Employment Advancement Retention Network (EARN) Centers as a way to provide comprehensive services to TANF clients. Programs under EARN offer a single point of contact providing work support for the clients in their efforts toward attaining self-sufficiency. Within the EARN Center, a full range of employment and training activities focusing on job placement and retention services is provided.

Utilizing EARN Centers allows for a uniform and standardized system to place and retain individuals in employment while tracking hours consistently and entering data on the Commonwealth Workforce Development System (CWDS). Hourly participation requirements are entered into CWDS verifying the Commonwealth of Pennsylvania has met mandatory Federal Work Participation Rates. Meeting the Work Participation Rates ensures that Pennsylvania will receive its full allotment of Federal TANF grant funds and not incur financial penalties.

The EARN budget is based on a 65 percent cost reimbursement and a 35 percent pay for performance model. The EARN programs must meet goals related to client placement into employment, retention of employment, and participation hours with the program to receive their full budgeted amount.

COUNTY ASSISTANCE OFFICES - DIRECTED EMPLOYMENT AND TRAINING ACTIVITIES

The CAOs are responsible for management of Road to Economic Self-Sufficiency through Employment and Training activities and helping clients engage in work or countable work activities in order to meet participation requirements until they can successfully become independent from TANF. The CAO evaluates whether clients will remain with the CAO or be referred to a contracted Employment and Training (E&T) program.

Clients are made aware of available opportunities to meet their work activity requirement, hourly participation requirements, reporting requirements and consequences, including: limitations on

enrollment, changes to special allowances, annual and lifetime limits on special allowances and sanctions. Additionally, all clients participating in CAO-directed activities are required to register with the local PA CareerLink® as a step in seeking employment. The E&T activities that may be approved include: employment, job search and job readiness, community service or vocational education.

EDUCATION LEADING TO EMPLOYMENT AND CAREER TRAINING

The Education Leading to Employment and Career Training (ELECT) provides comprehensive support services to help young parents complete their education and become self-sufficient adults. Expectant and parenting youth are encouraged to remain in school, maintain regular attendance and obtain a high school diploma or GED certificate. Programs under ELECT are evaluated based on outcomes such as: student retention, attendance, academic success and reduction of repeat pregnancies. The Department of Human Services and the Pennsylvania Department of Education jointly oversee the program.

EDUCATION LEADING TO EMPLOYMENT AND CAREER TRAINING - FATHERHOOD INITIATIVES

The ELECT Fatherhood Initiative provides case management centered services to custodial and non-custodial fathers under the age of 22 who are pursuing a high school education or GED. The purpose of these services is to assist young fathers to remain in school, obtain a high school diploma, learn parenting skills and become contributing members of their communities.

WORK READY

The Work Ready program uses a partnership between the Department and the Pennsylvania Community Action Agencies to provide employment and training services. Program participants have limited employability or temporary incapacity and require an individualized approach. The Work Ready program provides TANF recipients with education, skills training, work activities and job placement services designed to enable self-sufficiency. Work Ready is designed to serve individuals who have substantial barriers that interfere with full engagement in work activities in compliance with State and Federal requirements. Work Ready allows clients to gradually engage in work activities while maintaining required participation and while moving towards self-sufficiency.

The primary goal of Work Ready is to help clients transition to the EARN program and to secure and retain employment by providing services that will help the client stabilize barriers that may hinder them from achieving self-sufficiency. This is accomplished through appropriate assessment, evaluation, services and activities.

KEYSTONE EDUCATION YIELDS SUCCESS

Keystone Education Yields Success (KEYS) is a collaborative program between the Department of Human Services, the Pennsylvania State System of Higher Education, and the Pennsylvania Community Colleges. The KEYS program is designed to allow recipients of TANF and, as funding permits, the Supplemental Nutrition Assistance Program to attend Pennsylvania's community colleges, state system universities, and career and technical schools and to assist in the successful completion of the students' courses.

The KEYS program provides assistance and services to students who are enrolled at or who have been approved to attend any of the 14 community colleges, 14 state universities and 78 career and technical schools in Pennsylvania. The primary goal of KEYS is to provide the services and supports necessary to assist students in completing educational activities which lead to employment and self-sufficiency.

HOME HEALTH ASSESSMENT

The Department partners with the Public Health Management Corporation to operate the Home Health Assessment program. The Home Health Assessment program is designed to provide rapid, high-quality, cost-effective, home-based, medical and mental health screening for TANF clients. The focus of this program is to correctly identify and diagnose barriers to employment and provide a recommendation to the CAO on how to proceed with the TANF client.

PA WORK WEAR

PA WORK WEAR's goal is to promote and help ensure the economic independence of individuals who receive TANF by providing professional attire for job interviews and specific clothing necessary for employment or training in lieu of a special allowance for clothing from the CAO or E&T Contractor. To achieve that goal, various agencies across the Commonwealth have been contracted to provide clothing and other attire to TANF clients.